City of San Diego

Quarterly Portfolio Review

Quarter Ended December 2007

Report Dated February 29, 2008

QUARTERLY PORTFOLIO REVIEW
Quarter Ending December 2007

Economic Commentary

CONTAGION

The 4th quarter of 2007 played out almost exactly the same as the 3rd quarter, only more extreme. Once again, lower rates, higher volatility and spread widening were the major themes in a housing-led flight to quality. Most important was the realization of many economists' fears that the subprime crisis would spread into the broader economy.

The quarter actually started out on a promising note, following the volatility of the 3rd quarter. One of the most troubling pieces of economic news, the -4,000 change of non-farm payrolls in September, was revised upwards to +89,000 new jobs. A surprise Fed rate cut of 50 bps in mid-September and speculation for more down the road eased fears that the Fed was out of touch with the realities of the credit situation. Additionally, in mid-October, word spread of a consortium of large banks led by Bank of America, Citigroup, and JP Morgan Chase creating a "super-SIV" that would buy certain assets from existing structured investment vehicles (SIVs) and hold them to maturity. While this idea never got off the ground, at the time it did provide a boost in confidence that this added liquidity would help prevent the credit crunch from turning into a full-blown liquidity crisis. Through October, both swap spreads and agency spreads remained range bound, actually tightening a bit for the month.

This all changed in November, as volatility returned in force. More light was shed on the extent of major bank and brokerage house exposures to subprime mortgages. Both Citigroup and Merrill Lynch announced such large quarterly losses and valuation writedowns on their subprime holdings that Charles Prince, Chairman/CEO of Citigroup and Stanley O'Neal, Chairman/CEO of Merrill Lynch, lost their jobs. These institutions were not alone, however, as seemingly every large global financial institution took large writedowns and quarterly losses due to their subprime exposures. Fears of GSE exposure to these loans caused spreads on Fannie Mae and Freddie Mac to dramatically widen to multi-year wide spreads (Exhibits 1 & 2). Even the monoline insurers, such as AMBAC, FGIC and MBIA, who ensure billions of dollars of municipal debt, were affected as their exposure to subprime loans put them in jeopardy of losing their top AAA/Aaa ratings. The severity of the crisis and the Fed response has evoked memories of other financial crises such as the Savings & Loan debacle of the late 1980s and the Russian debt default and Long Term Capital Management meltdown in 1998.

Exhibit 1 Fannie Mae 2 yr Spread to Treasury – Q4 2007

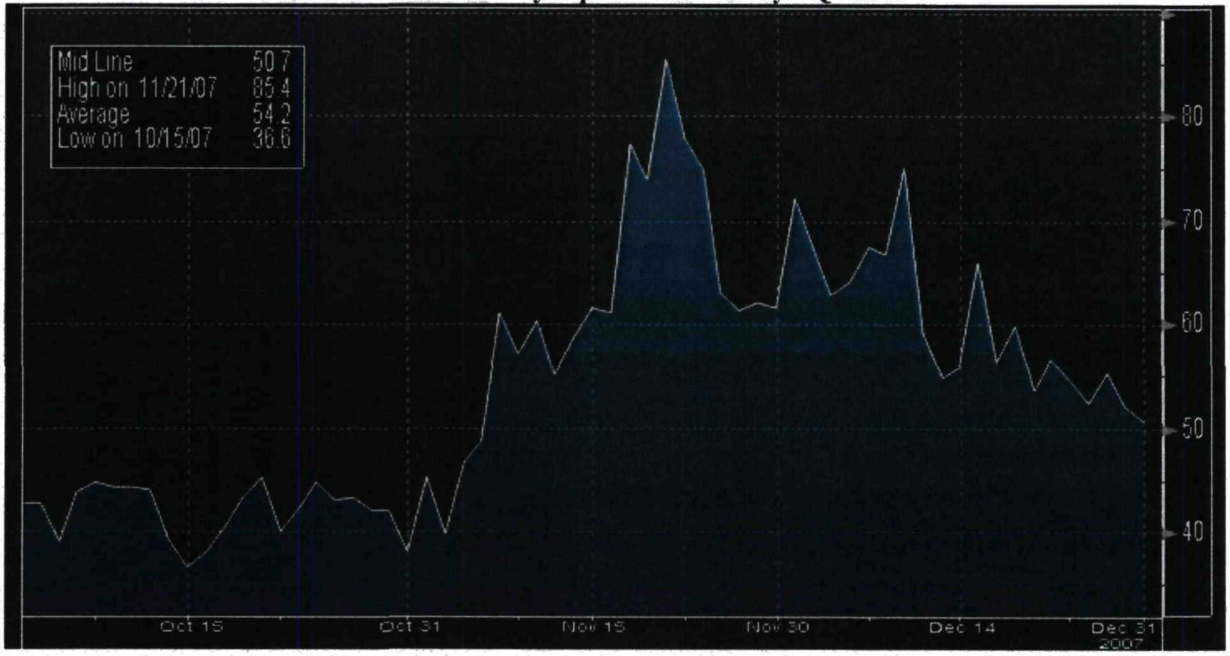
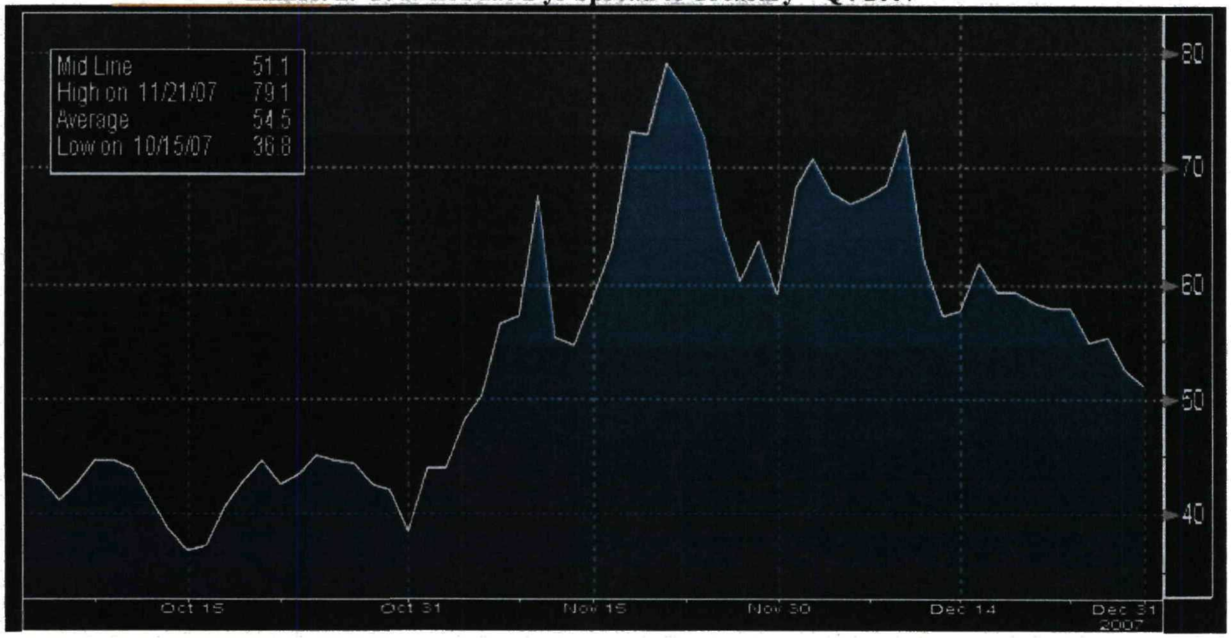
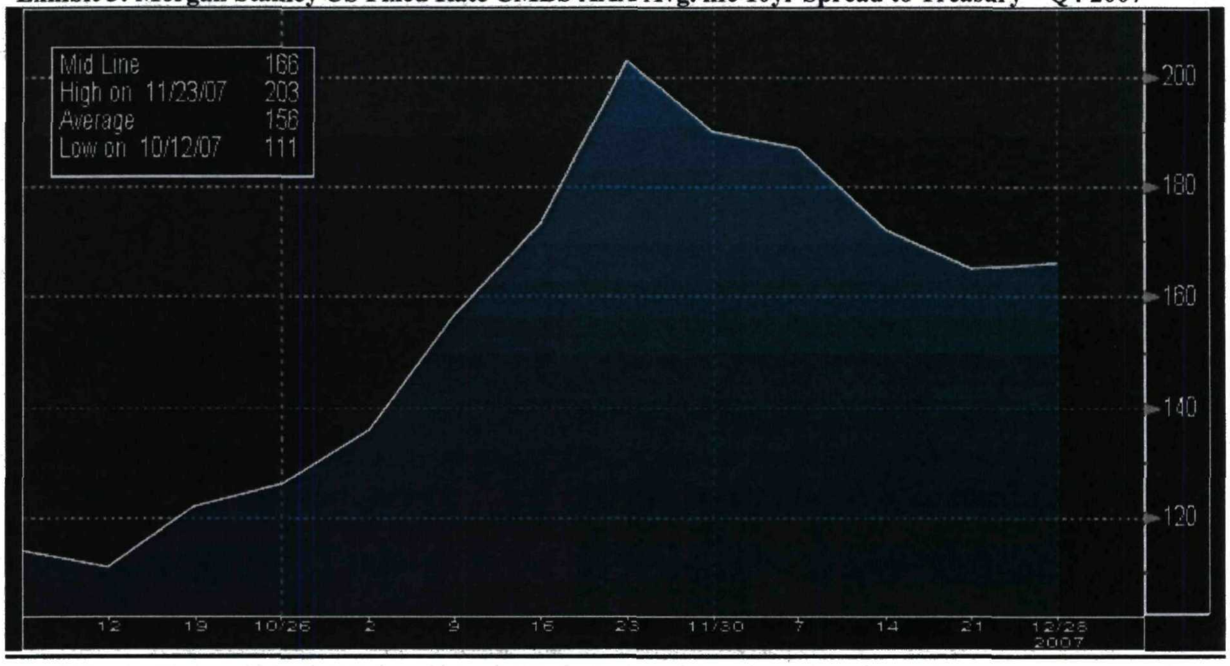


Exhibit 2: Freddie Mac 2 yr Spread to Treasury – Q4 2007



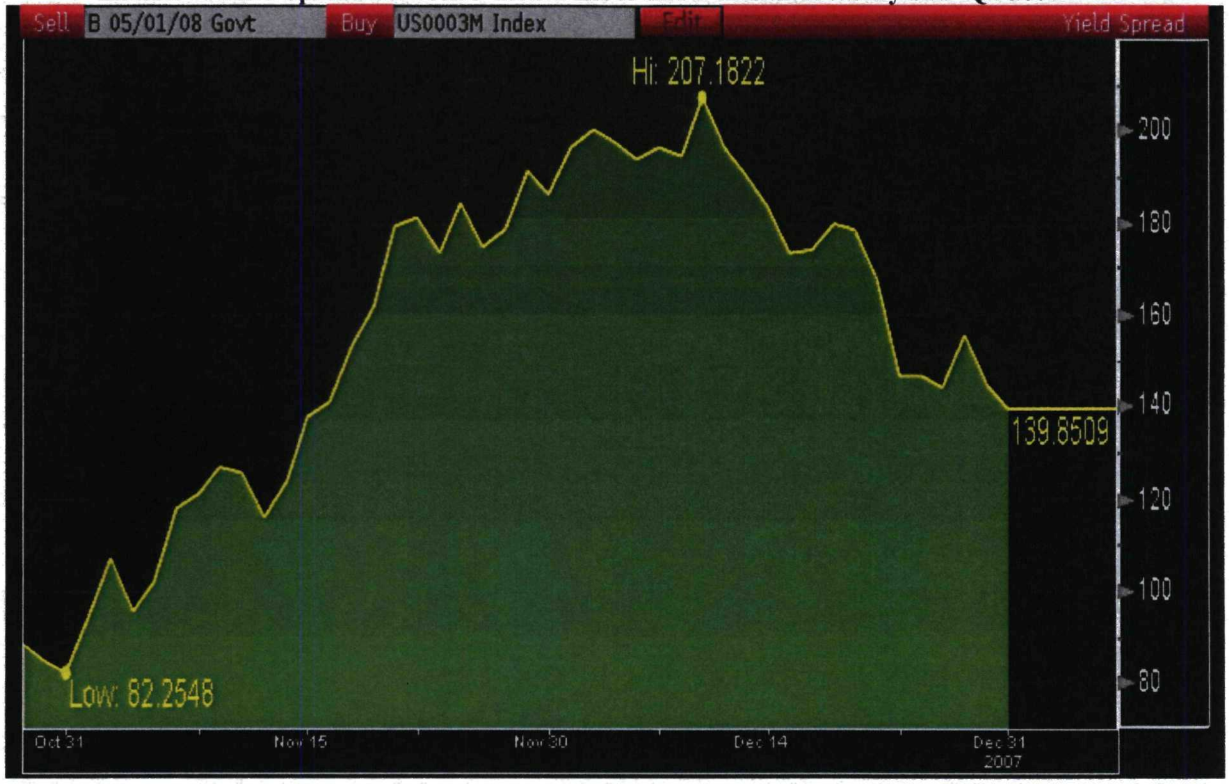
The flight to quality trade affected spreads on all "risky" structured assets, even those seemingly unrelated to subprime residential mortgages. For instance, the spreads on Commercial Mortgage-Backed Securities (CMBS) widened dramatically during this time (Exhibit 3). This is partially counter-intuitive, as a large component of many CMBS deals are loans on apartment complexes, which should benefit during a housing market contraction. After all, people have to live somewhere! And while an argument could be made that underwriting standards on commercial mortgages had declined along with residential mortgages, they are two very different animals with very different drivers of performance. Add to that the 30% subordination enjoyed by the most prevalent "super senior" CMBS tranches, and the degree of spread widening makes little sense. This is a prime example of the contagion effect that had been feared since early 2007.

Exhibit 3: Morgan Stanley US Fixed Rate CMBS AAA Avg. life 10yr Spread to Treasury – Q4 2007



December brought about a bit of relief as Treasury yields ticked up and spreads contracted from the November wides. In addition to cutting rates an additional 25 basis points in December, on December 12th the Federal Reserve instituted their Term Auction Facility (TAF) program, which was designed to inject much-needed liquidity into the banking system over year-end. Essentially, the TAF was designed to provide collateralized term funding to banks that would not access the Fed's Discount Window due to the implied stigma attached to such borrowing. The first two auctions went very well, injecting an additional $40 billion into the financial markets, and the Fed committed to keep the program going as long as needed. While the absolute dollar amounts are not very large in the grand scheme of things, the TAF auctions did provide much-needed confidence to the money markets. After the announcement of the TAF program, 3-month LIBOR rates tightened dramatically to T-bill rates, though they still remain historically high (Exhibit 4).

Exhibit 4: Yield Spread between 3-month Libor and 3-month Treasury Bill– Q4 2007



Following up on the FHASecure program, which afforded certain subprime borrowers the opportunity to refinance into fixed, government-guaranteed mortgages, the Bush administration announced in December a new program to help rescue additional subprime borrowers. Essentially, the plan helps eligible subprime borrowers remain in their homes by "freezing" the mortgage rate on those loans that are approaching reset, which would make the mortgage payment unaffordable for these borrowers. The rate would remain frozen for an additional 5 years after the scheduled initial reset date. This plan is not without controversy, however, as these loans are held in securitized pools of mortgages, and are owned by investors around the world. The success of this plan will depend on its adoption by the servicers of these mortgage pools, who must act in the best interest of the investors. Of course, the main argument in favor of adoption is that it is much better to receive some money from mortgage-borrowers than none and go through the foreclosure process. Furthermore, the portion of subprime loans qualifying under this plan for the "temporary" rate freeze represents only a small portion on the outstanding loans originated, so in reality the plan is more bark than bite.

The economic data in Exhibit 5 are color-coded with red items generally pointing towards a weaker economy and green items generally pointing towards a stronger economy. The number of red items decreased from 14 to 12 this quarter. Housing-related statistics continue to dominate the negative economic indicators, in many cases hitting all-time or multi-year lows, but perhaps more importantly, the job- and consumer-related statistics declined as well, providing another strong economic headwind and further fueling the fears of contagion into the broader economy.

Exhibit 5: Table of Key Economic Indicators

Indicator	*Period*	*Report Current*	*As Reported Last Quarter*	**Difference**
Consumer Price Index (MoM)	DEC	0.3%	-0.1%	0.4%
Producer Price Idx. (ex food/energy), (MoM)	DEC	0.2%	0.1%	0.1%
Durable Goods	NOV	0.1%	-4.9%	5.0%
Factory Orders	NOV	1.5%	-3.3%	4.8%
Industrial Production	DEC	0.0%	0.2%	-0.2%
Capacity Utilization	DEC	81.4%	82.2%	-0.8%
Gross Domestic Product (Annualized)	3 QTR	4.9%	3.8%	1.1%
ISM (Manufacturing) (NAPM)	DEC	47.7	52.0	-4.3
ISM (Non-manufacturing) (NAPM)	DEC	53.9	54.8	-0.9
Personal Income	NOV	0.4%	0.3%	0.1%
Retail Sales	DEC	-0.4%	0.6%	-1.0%
Unemployment Rate	DEC	5.0%	4.7%	0.3%
Change in Non-farm Jobs	DEC	18,000	110,000	-92,000
Consumer Confidence (Conference Board)	NOV	88.6	99.8	-11.2
Leading Indicators	DEC	-0.2%	-0.6%	0.4%
Home Re-sales	DEC	4.89(mil)	5.50(mil)	-0.61(mil)
Home Sales, New	DEC	0.604(mil)	0.795(mil)	-0.191(mil)
Housing Starts	DEC	1.006(mill)	1.331(mil)	-0.325(mil)
Median Home Price (existing) [EHSLMP]	DEC	$206,500	$223,900	-$17,400

Figure X: Table of Key Economic Indicators

As of this writing, the U.S. Government has taken several additional steps to revive the economy in hopes of staving off a recession. On January 22, the Federal Reserve delivered an emergency inter-meeting cut in the Fed Funds rate of 75 basis points to 3.50%. Additional rate cuts are widely anticipated in the coming weeks and months. Additionally, on January 24, the White House and Congress agreed to a nearly $150 billion stimulus plan consisting of tax breaks to businesses and tax rebates to over 117 million households.

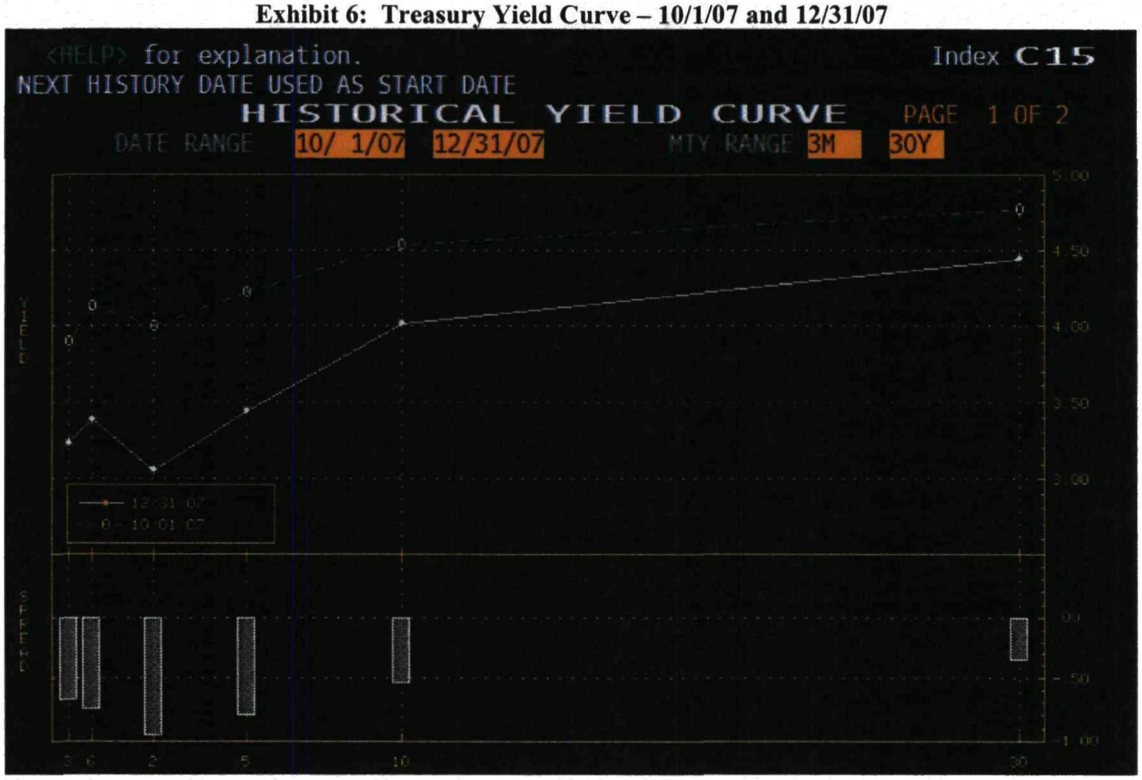
An interesting part of the stimulus plan, and one quite important to the California housing market, is the temporary lifting of the Fannie Mae and Freddie Mac conforming loan limit to either $729,750 or 125% of the median house price in an area. This increase in the loan limits for Fannie Mae and Freddie Mac are especially important to our local housing market since the median home price locally & in California is well above the national average. Since housing prices are so high, most potential homeowners would need a mortgage in excess of the previous conforming loan limit, $417,000, also called a Jumbo loan. With the dramatic tightening in the credit markets, it has been difficult for all but the most pristine borrowers to secure a Jumbo mortgage, which have become more expensive forcing most borrows to pay roughly 1% more than the conforming mortgage rate. Historically, 30 year Jumbo loans are usually about .30% more expensive than similar conforming loans. This has had a large negative effect on home sales.

Whether or not these measures with prevent the economy from spinning into recession or are too little, too late, as well as whether or not they might restoke the inflation fires remains to be seen, but the fact that the government recognizes the severity of the problem and is demonstrating willingness to step in and help has been a great boon to the financial markets in recent days.

Strategy

Through the 4th quarter, rates dropped across the curve, led by the 2-year sector, which dropped in yield by 95 basis points to 3.05% (See exhibit 6). The 5-year sector dropped by 79 basis points, the 10-year by 52 basis points and the 30-year by 33 basis points. This led to a steeper yield curve for the quarter. On the very short end, the curve flattened a bit as the 3-month rate dropped 66 basis points to 3.24% while the 6-month rate dropped 75 basis points to 3.39%. (Note that as of the writing, the 2-year rate has fallen by another 80 basis points since 12/31/07!).

Exhibit 6: Treasury Yield Curve – 10/1/07 and 12/31/07



We feel that the curve will continue to steepen as anticipated Fed rate cuts continue in response to weaker economic data. At the end of the 4th quarter, the Fed Funds rate stood at 4.25%, and at least 125 basis points of additional rate cuts were priced into the market. This added liquidity should boost inflation down the road, which should lead to an increase in longer rates in anticipation of this move. As such, we continue to move towards a bulleted structure in the core portfolio, and where possible, invest the liquidity portfolio out longer term to lock in higher rates.

We also feel the market is too volatile to take a firm view on the direction of rates. We have remained neutral to index duration since December and will continue to do so until we develop a firm conviction of a longer-term trend.

After the volatility and dramatic spread widening of November, yield spreads have tightened and remained range bound of late. While we have trimmed some spread exposure since the end of the 3rd Quarter, we maintain a core position of spread product, mainly Agency issues, and will continue to monitor the situation in the credit and financial markets.

Portfolio Results

Cost and Market Value

As of December 31, 2007, the Treasurer's Core Portfolio had a cost value of **$1,070,206,719** and a market value of **$1,089,997,182**. As of the same date, the Treasurer's Liquidity Portfolio had a cost value of **$665,279,305** and a market value of **$673,145,010.** At the end of the quarter, 61.67% of funds were in the Core Portfolio and 38.33% in the Liquidity Portfolio.

Exposure to Market Risk

The average maturity of the Core Portfolio was 1.79 years and its effective duration was 1.659 years or 99.34% of the benchmark index duration of 1.67 years. The Merrill Lynch 1-3 year Treasury Index is the benchmark index for the Core Portfolio.

The average maturity of the Liquidity Portfolio was 0.308 years and its duration was 0.303 years or 81.69% of the benchmark index duration of 0.371 years. The Merrill Lynch 3-6 months Treasury Bill Index is the benchmark index for the Liquidity Portfolio.

Exposure to Credit Risk

The average credit quality of the combined portfolios remains high. The percent of the combined portfolio invested in highly liquid and safe US Treasury securities is 39.3% and 41.9% in U.S. Agency (non-mortgage-backed) securities. Investments in corporate securities (other than money market instruments) are currently 4.9% and this complies with the maximum percentage of 30% allowed in the Investment Policy. The pool's remaining funds were in Money Market instruments and the California Local Agency Investment Fund representing 13.9% of the portfolio. The pie chart in Attachment **#7** shows the allocation of assets of the combined portfolios.

Yield Curve change during the quarter:

Though the 3 month to 5 year curve flattened a bit during the quarter as longer rates moved ahead of expected Fed rate cuts, the 2 year to 5 year curve steepened by 16 basis points as 2 year yields led the way in a rate rally.

This was a slight negative to our returns. We have been moving to a more bulleted structure over the past few months, which has mitigated much of the effects of the steepening. However, the index does not have any securities greater than three years in maturity, and as the City's portfolio does, the resultant slight overweights in the 3 year and 5 year duration buckets contributed negatively to the City's core portfolio's performance against the Merrill 1-3 year Treasury index.

Credit Spreads:

Credit spreads widened dramatically in November, to multi-year wides for many spread sectors. This left spreads wider for the quarter as a modest spread rally in December was not enough to return spreads to beginning-of-quarter levels. As was the case in the 3rd Quarter, the effect of this spread widening led to the bulk of the Core Portfolio's underperformance vs. the Merrill 1-3 year Treasury index, which contains no spread product.

While we have decreased our exposure to spread sectors through the quarter, we still have a core holding of Agency and corporate debt in the portfolio. It is important to remember that as spreads widen, our portfolio yield in relation to the index increases, leading to potential outperformance versus the index in future periods, assuming spreads do not continue to dramatically widen.

Total Return/Earned Interest Yield

For the quarter ending December 31, 2007, the Treasurer's Core Portfolio had a total return of 2.26% versus a benchmark return of 2.36% and an earned interest yield for the quarter of 5.043%. The Liquidity Portfolio had an earned interest yield of 4.919% for the quarter ending December 31, 2007.

Projected Cashflow Requirements

The Investment staff has reviewed and the Treasurer has affirmed that the Liquidity Portfolio has sufficient maturities and liquidity to meet the City's expenditure requirements for the next six months per California Government Code §53646.

MONTH	CASH INFLOWS	CASH OUTFLOWS	NET MONTHLY CASHFLOWS	CUMULATIVE NET CASHFLOWS
January	383	185	198	198
February	238	216	22	220
March	271	176	95	315
April	344	168	176	491
May	380	240	140	631
June	251	167	84	715

(All dollar amounts in millions)

Legend:
Cash Inflows- All revenues, reimbursements, interest receipts and investment maturities.
Cash Outflows- All disbursements to include payroll, pension payroll, accounts payable and wire transfer payments (e.g. water payments, IRS taxes & bond payments).
Cumulative Net Cashflow- All future cumulative net flows available for reinvestment. Since the target duration of the Liquidity Portfolio is approximately .33 years it will not be unusual for the cumulative net Cashflow figure to equal or closely approximate the size of the Liquidity Portfolio.
Cashflows based on Actual Cashflows where applicable, otherwise, based on quarterly updated projection Cashflows.

SUMMARY OF PORTFOLIO CHARACTERISTICS
Quarter Ending Dec. 31, 2007 vs. Sept. 30, 2007

Benchmark (G1O2) US Treasury Notes 1-3yr	Core Portfolio			Benchmark	
	Qtr Ending Sept. 30, 2007	Qtr Ending Dec. 31, 2007	FYTD	Qtr Ending Dec. 31, 2007	FYTD
Portfolio cost	$1,084,562,800	$1,070,206,719			
Market value (w/acc int.)	$1,093,262,062	$1,089,997,182			
Average maturity (years)	1.72	1.79	1.79	1.77	1.77
Earned income yield	5.297%	5.043%	4.997%		
Total return	2.54%	2.27%	4.85%	2.36%	5.09%
Duration (Effective)	1.69	1.66		1.67	
Change in value vs. 1% change in interest rates	$18.5MM	$17.8MM			
Average credit quality	Agency	Agency		Treasury	
% of portfolio below "A/A"	0.0%	0.0%		0.0%	

	Portfolio	Benchmark	Difference
One Year Total Return	7.19%	7.33%	-0.14%
Three Year Total Return ***	4.48%	4.29%	0.19%

Quarter Ending	12/31/2007	09/30/2007	06/30/2007	03/31/2007
Core Portfolio Total Return	2.27%	2.54%	0.74%	1.49%
Index Return Total Return	2.36%	2.67%	0.71%	1.41%

* Monthly average maturity averaged for the fiscal year-to-date
** Annualized.

Quarter Ending Dec. 31, 2007 vs. Sept. 30, 2007

Benchmark (G0B2) **US Treasury Bills 3-6mo**	**Liquidity Portfolio**			**Benchmark**	
	Qtr Ending Sept. 30, 2007	**Qtr Ending Dec. 31, 2007**	**FYTD**	**Qtr Ending Dec. 31, 2007**	**FYTD**
Portfolio cost	$542,055,750	$665,279,305			
Market value	$546,873,253	$673,145,010			
Average maturity (years)	0.32	0.31	0.31	0.37	0.37
Earned income yield***	5.297%	4.919%	5.106%		
Duration (Macaulay in years)	0.31	0.30		0.37	
Change in value vs. 1% change in interest rates	$1.7MM	$2.5MM			
% maturing within 13 months	100%	100%		100%	
Average credit quality	Agency	Agency		Treasury	
% of portfolio below "A/A"	0.0%	0.0%		0.0%	

One Year Return* **	**5.202%**	**Three Year Return*** **	**4.488%**

* Monthly average maturity averaged for the fiscal year-to-date. ** Month-end duration averaged for the fiscal year-to-date.
***Earned Income Yield this Period.

COMPLIANCE WITH INVESTMENT POLICY

Category	Standard	Comment
Duration(core) Duration(liquidity)	ML 1-3 Year +/-20% US T-bill 3-6 months +/-40%	Complies – 99.34 % Complies - 81.69 %
Maximum Maturity	5 years	Complies
Agency Securities	100% maximum	Complies – 41.82%
FNMA	33.3% maximum	Complies- 13.16%
FHLMC	33.3% maximum	Complies – 14.80%
FHLB	33.3% maximum	Complies – 11.54%
FFCB	33.3% maximum	Complies – 2.32%
Callable Securities	30% maximum	Complies – 3.26%
MBS/CMO's	5 yr maximum- 20% max.	Complies – None in Portfolio
Asset-backed	5 yr maximum- 20% max.	Complies – None in Portfolio
Commercial Paper	A1/P1- 5% per issuer	Complies
	25% maximum	Complies – 8.23%
Banker's Acceptances	A1/P1- 5% per issuer	Complies – None in Portfolio
	40% maximum	Complies – None in Portfolio
Medium Term Notes (includes Bank Notes)	'A' Rating' by at least two agencies	Complies
	3 year maximum	Complies
	30% maximum	Complies – 4.93%
Mutual Funds	20% maximum	Complies – None in Portfolio
FDIC-insured Certificates of Deposit	1% maximum	Complies – None in Portfolio
Certificate and Public Deposits	30% maximum	Complies – None in Portfolio
Reverse Repos	20% maximum	Complies – None in Portfolio
Futures and Options	Prohibited	Complies – None in Portfolio
Custody	Bank trust dept.	Complies – Bank of NY
Exposure per issuer (corporate)	5% of total portfolio	Complies
Structured Notes	8% maximum/no multiple index structures.	Complies
Municipal Securities	'A' Issuer Rating by an NRSRO	Complies – None in Portfolio
	20% maximum	Complies – None in Portfolio
	5% of total portfolio exposure per Issuer or Insurer, excluding California General Obligations	Complies – None in Portfolio

~ Attachments ~

1- Holdings Report

2- Broker Activity Report- 9998- Core Portfolio

3- Broker Activity Report- 9997- Liquidity Portfolio

4- Broker Activity Report- 9997/9998- Combined

5- Maturity Distribution- 9998- Core Portfolio

6- Maturity Distribution- 9997- Liquidity Portfolio

7- Allocation of Assets- Combined Portfolios (Core-9998 & Liquidity-9997)

City of San Diego -- Pooled Investment Fund as of December 31, 2007

Security Type	Issuer	Invst No.	Sec. Description	Coupon	Maturity	CUSIP	Par	Book	Market Value	Price Source
US Treasury Bill	US Treasury	71377	TB-98-681-E23-10	3 1025	5/1/2008	912795E23	$70,000,000 00	$69,077,006 25	$69,234,375 00	SUNGARD
US Treasury Note	US Treasury	60338	TN-98 640-ELO-39	4 375	11/15/2008	912828EL0	$30,000,000 00	$29,592,187 50	$30,234,375 00	SUNGARD
US Treasury Note	US Treasury	60210	TN-99 297-EL0-05	4 375	11/15/2008	912828EL0	$10,000,000 00	$9,929,687 50	$10,078,125.00	SUNGARD
US Treasury Note	US Treasury	60236	TN-99 223-EL0-05	4 375	11/15/2008	912828EL0	$25,000,000 00	$24,805,664 06	$25,195,312 50	SUNGARD
US Treasury Note	US Treasury	60175	TN-99 555-EV8-39	4 5	2/15/2009	912828EV8	$17,000,000 00	$16,924,296 88	$17,255,000 00	SUNGARD
US Treasury Note	US Treasury	60266	TN-99 125-EV8-83	4 5	2/15/2009	912828EV8	$15,000,000 00	$14,868,750 00	$15,225,000 00	SUNGARD
US Treasury Note	US Treasury	71050	TN-99 777-EV8-38	4 5	2/15/2009	912828EV8	$30,000,000.00	$29,933,203 13	$30,450,000 00	SUNGARD
US Treasury Note	US Treasury	71049	TN-99.797-GL8-38	4 5	3/31/2009	912828GL8	$25,000,000 00	$24,949,218 75	$25,414,062.50	SUNGARD
US Treasury Note	US Treasury	71048	TN-100 469-FE5-42	4 875	5/15/2009	912828FE5	$50,000,000.00	$50,234,375 00	$51,187,500 00	SUNGARD
US Treasury Note	US Treasury	70820	TN-99 976-GT1-83	4 875	5/31/2009	912828GT1	$30,000,000.00	$29,992,968 75	$30,740,625 00	SUNGARD
US Treasury Note	US Treasury	71059	TN-100 125-GY0-83	4 625	7/31/2009	912828GY0	$50,000,000 00	$50,062,500 00	$51,171,875.00	SUNGARD
US Treasury Note	US Treasury	70291	TN-100 383-FP0-40	4 875	8/15/2009	912828FP0	$20,000,000.00	$20,076,562.50	$20,556,250 00	SUNGARD
US Treasury Note	US Treasury	70376	TN-101 109-FP0-40	4 875	8/15/2009	912828FP0	$25,000,000 00	$25,277,343 75	$25,695,312 50	SUNGARD
US Treasury Note	US Treasury	70684	TN-100 557-FPO-38	4 875	8/15/2009	912828FP0	$50,000,000 00	$50,279,296 88	$51,390,625 00	SUNGARD
US Treasury Note	US Treasury	71269	TN-100 132-HD5-83	4	9/30/2009	912828HD5	$45,000,000 00	$45,064,683.66	$45,717,187 50	SUNGARD
US Treasury Note	US Treasury	71270	TN-100 132-HD5-83	4	9/30/2009	912828HD5	$45,000,000 00	$45,064,683 66	$45,717,187 50	SUNGARD
US Treasury Note	US Treasury	71468	TN-100 013-HL7-42	3 25	12/31/2009	912828HL7	$25,000,000 00	$25,003,362 50	$25,085,937 50	SUNGARD
US Treasury Note	US Treasury	70817	TN-99 063-GR5-43	4 5	5/15/2010	912828GR5	$30,000,000 00	$29,718,750 00	$31,003,125 00	SUNGARD
US Treasury Note	US Treasury	70600	TN-99 090-ES5-05	4 25	1/15/2011	912828ES5	$10,000,000 00	$9,908,984 37	$10,337,500.00	SUNGARD
US Treasury Note	US Treasury	71162	TN-100 351-ES5-05	4 25	1/15/2011	912828ES5	$80,000,000 00	$80,715,489 13	$82,700,000.00	SUNGARD
	Treasury Total					***39.27%***	***$682,000,000.00***	***$681,479,014.27***	***$694,389,375.00***	
US Agency	Federal Home Loan Bank	70707	FHLB-LT0-99 973-5	5 125	4/24/2008	3133XKLT0	$20,000,000.00	$19,994,600 00	$20,031,250 00	SUNGARD
US Agency	Federal Home Loan Bank	70164	FHLB-CC0703-95 316-VV3-41	3 1	12/24/2008	31339XVV3	$7,250,000.00	$6,910,410 00	$7,184,296 88	SUNGARD
US Agency	Federal Home Loan Mortgage Corporation	60473	FHLMC-99.934-AE9-05	5 25	5/21/2009	3137EAAE9	$25,000,000 00	$24,983,500.00	$25,515,625 00	SUNGARD
US Agency	Federal Home Loan Mortgage Corporation	70206	FHLMC-100 604-AE9-40	5 25	5/21/2009	3137EAAE9	$60,000,000 00	$60,362,400.00	$61,237,500 00	SUNGARD
US Agency	Federal Home Loan Bank	60474	FHLB-99 875-LG9-05	5 25	6/12/2009	3133XFLG9	$25,000,000 00	$24,968,750 00	$25,546,875 00	SUNGARD
US Agency	Federal National Mortgage Association	71186	FNMA-OT0908-100 00-GS5-39	5 1	9/10/2009	31398AGS5	$10,000,000 00	$10,000,000.00	$10,062,500 00	SUNGARD
US Agency	Federal Home Loan Mortgage Corporation	52783	FHLMC-100-PB1-79	4 625	9/28/2009	3128X4PB1	$5,000,000 00	$5,000,000 00	$5,085,937 50	SUNGARD
US Agency	Federal Farm Credit Bank	71323	FFCB-101 218-BQ4-42	5	10/23/2009	31331XBQ4	$20,000,000.00	$20,265,822 22	$20,493,750 00	SUNGARD
US Agency	Federal National Mortgage Association	70402	FNMA-99 722-2S1-05	4 625	12/15/2009	31359M2S1	$25,000,000 00	$24,930,500 00	$25,492,187 50	SUNGARD
US Agency	Federal National Mortgage Association	70401	FNMA-99 722-2S1-38	4 625	12/15/2009	31359M2S1	$25,000,000 00	$24,930,500 00	$25,492,187 50	SUNGARD
US Agency	Federal National Mortgage Association	70433	FNMA-99.213-2S1-05	4 625	12/15/2009	31359M2S1	$25,000,000 00	$24,803,250 00	$25,492,187 50	SUNGARD
US Agency	Federal National Mortgage Association	70204	FNMA-CC0504-96 833-RM0-41	4 25	5/13/2010	3136F3RM0	$10,000,000 00	$9,683,300 00	$10,003,125 00	SUNGARD
US Agency	Federal Home Loan Bank	52777	FHLB-100 374-UR2-87	4 5	9/10/2010	3133XCUR2	$20,000,000 00	$20,074,800 00	$20,425,000.00	SUNGARD
US Agency	Federal Home Loan Mortgage Corporation	70568	FHLMC-OT1108-99 839-PV4-83	5 125	11/24/2010	3128X5PV4	$10,000,000 00	$9,983,900.00	$10,090,625 00	SUNGARD
US Agency	Federal Farm Credit Bank	71391	FFCB-99 775-GP9-48	3 75	12/6/2010	31331YGP9	$20,000,000 00	$19,955,000 00	$20,056,250 00	SUNGARD
US Agency	Federal Home Loan Bank	71405	FHLB-99 806-HZ5-07	3 625	12/17/2010	3133XNHZ5	$25,000,000 00	$24,951,500 00	$25,000,000.00	SUNGARD
US Agency	Federal Home Loan Mortgage Corporation	70240	FHLMC-102.952-EW0-41	5 875	3/21/2011	3134A4EW0	$10,000,000 00	$10,295,197 80	$10,668,750 00	SUNGARD
US Agency	Federal Home Loan Mortgage Corporation	70241	FHLMC-102 944-EW0-41	5 875	3/21/2011	3134A4EW0	$5,000,000 00	$5,147,200 00	$5,334,375 00	SUNGARD
US Agency	Federal Home Loan Mortgage Corporation	70233	FHLMC-OT0908-99 807-JJ8-41	5 45	9/2/2011	3128X5JJ8	$20,000,000 00	$19,961,400 00	$20,206,250.00	SUNGARD
US Agency	Federal Home Loan Mortgage Corporation	71146	FMCDN-DN-97 536-TN3-05	4 9	2/25/2008	313396TN3	$25,000,000 00	$24,384,097 22	$24,843,750.00	SUNGARD
US Agency	Federal National Mortgage Association	70706	FNDN-UW3-99 449-42	4 92	3/28/2008	313588UW3	$25,230,000 00	$24,081,782 70	$24,985,584.38	SUNGARD
US Agency	Federal National Mortgage Association	70821	fndn 0 03-28-08-05	4 98	3/28/2008	313588UW3	$35,000,000 00	$33,537,816 67	$34,660,937.50	SUNGARD
US Agency	Federal Home Loan Mortgage Corporation	70822	fmcdn-0-04-18-08-38	4 985	4/18/2008	313396VT7	$20,000,000 00	$19,105,469 44	$19,756,250.00	SUNGARD
US Agency	Federal Home Loan Mortgage Corporation	71313	FRE-DN-97 873-WD1-39	4 23	4/28/2008	313396WD1	$25,000,000 00	$24,468,312 50	$24,664,062 50	SUNGARD
US Agency	Federal National Mortgage Association	70952	fndn o 05-16-08-43	4 99	5/16/2008	313588WX9	$30,000,000 00	$28,661,016 67	$29,540,625 00	SUNGARD
US Agency	Federal Home Loan Mortgage Corporation	70953	fmcdn o 05-27-08-38	4 975	5/27/2008	313396XJ7	$25,000,000 00	$23,849,531 25	$24,585,937 50	SUNGARD
US Agency	Federal Home Loan Bank	71378	FHLB-DN-97 912-XM6-43	4 13	5/30/2008	313384XM6	$35,000,000 00	$34,269,219 44	$34,409,375 00	SUNGARD
US Agency	Federal Home Loan Bank	71423	FHLB-DN-97 972-XZ7-38	4 01	6/11/2008	313384XZ7	$45,000,000 00	$44,087,725 00	$44,198,437 50	SUNGARD
US Agency	Federal National Mortgage Association	71060	fndn 0-06-30-08-05	4 85	6/30/2008	313588YU3	$50,000,000 00	$47,743,402 78	$49,015,625.00	SUNGARD
US Agency	Federal Home Loan Mortgage Corporation	71424	FHLMC-DN-97 801-YX5-43	3 88	7/3/2008	313396YX5	$30,000,000 00	$29,340,400 00	$29,418,750 00	SUNGARD
US Agency	Federal Home Loan Bank	71469	FHLB-DN-96 290-U56-07	3 72	12/24/2008	313384U56	$26,000,000 00	$25,035,486 67	$25,122,500 00	SUNGARD
	U.S. Agency Total					***41 82%***	***$738,480,000.00***	***$725,766,290.36***	***$738,620,506.26***	
Local Agency Investment Fund	California State Pool	49819	LOCAL AGENCY INVESTMENT FUND	5 24	1/1/2008		$23,502,032 70	$23,502,032 70	$23,502,032 70	BOOK
Repurchase Agreement	Overnight Repo	71477	REPURCHASE AGREEMENT ACT- 360	4 25	1/2/2008		$46,356,223 00	$46,356,223 00	$46,356,223 00	BOOK
Repurchase Agreement	Overnight Repo	71476	REPURCHASE AGREEMENT ACT- 360	4 25	1/2/2008		$30,000,000 00	$30,000,000 00	$30,000,000 00	BOOK
Commercial Paper	Societe Generale North America Inc	71286	CP-SOCNAM-98 735-AA3-05	5 06	1/10/2008	83365RAA3	$25,000,000.00	$24,683,750 00	$24,970,500 00	SUNGARD
Commercial Paper	General Electric Capital Corporation	71291	CP-GECC-98 782-AE7-23	4 87	1/14/2008	36959HAE7	$30,000,000 00	$29,634,750 00	$29,948,866 67	SUNGARD
Commercial Paper	ConocoPhillips Qatar Funding Ltd	71293	CP-COPQFL-98 649-AP9-39	4 96	1/23/2008	2082P2AP9	$15,000,000 00	$14,797,466 67	$14,956,733 33	SUNGARD
Commercial Paper	Toyota Motor Credit Corporation	71379	CP-TOYCC-98 459-CU8-24	4 66	3/28/2008	89233GCU8	$25,000,000 00	$24,614,902 78	$24,717,854 17	SUNGARD
Commercial Paper	Bank of America Corporation	71380	CP-BAC-98 400-CU5-05	4 84	3/28/2008	0660P0CU5	$25,000,000 00	$24,600,027 78	$24,717,854 17	SUNGARD
Commercial Paper	Toyota Motor Credit Corporation	71312	CP-TOYCC-97 722-DU7-24	4 53	4/28/2008	89233GDU7	$25,000,000 00	$24,430,604 17	$24,607,486 11	SUNGARD
	Repo, BA's, CD's, CP, LAIF, Funds Total					***13 98%***	***$244,858,255.70***	***$242,619,757.10***	***$243,777,550.15***	

City of San Diego -- Pooled Investment Fund as of December 31, 2007

Security Type	Issuer	Invst No.	Sec. Description	Coupon	Maturity	CUSIP	Par	Book	Market Value	Price Source
Medium Term Note	Chevron Canada Funding	71351	MTN-CVX-99 583-AB4-39	3 375	2/15/2008	166760AB4	$5,000,000 00	$5,023,681 25	$4,900,000.00	SUNGARD
Medium Term Note	AIG Sunamerica Global Finance	70431	MTN-AIG-97.896-AA0-22	3 9	10/22/2008	00209LAA0	$12,000,000 00	$11,747,520 00	$11,861,250 00	SUNGARD
Medium Term Note	HSBC Finance Corporation	70437	MTN-HSBC-98 207-KF0-40	4 125	12/15/2008	441812KF0	$5,000,000.00	$4,910,350 00	$4,954,200 00	UPRICE
Medium Term Note	Credit Suisse FB USA	70290	MTN-CS-97 07-AL7-41	3 875	1/15/2009	22541LAL7	$10,000,000.00	$9,707,000 00	$9,916,800 00	UPRICE
Medium Term Note	Wachovia Corporation	70300	MTN-WB-96 655-AD4-40	3 625	2/17/2009	929903AD4	$10,000,000 00	$9,665,500 00	$9,793,000 00	UPRICE
Medium Term Note	Illinois Tool Works	70328	MTN-ITW-101.587-AE9-43	5 75	3/1/2009	452308AE9	$9,150,000 00	$9,295,210 50	$9,295,210 50	BOOK
Medium Term Note	Wells Fargo Bank	70301	MTN-WFC-95 391-FQ9-41	3 125	4/1/2009	949746FQ9	$10,000,000.00	$9,539,100 00	$9,804,400 00	UPRICE
Medium Term Note	Wal-Mart	70279	MTN-WMT-105.033-BE2-40	6 875	8/10/2009	931142BE2	$10,000,000 00	$10,503,300 00	$10,450,000 00	SUNGARD
Medium Term Note	Wal-Mart	70534	MTN-WMT-104 134-BE2-83	6 875	8/10/2009	931142BE2	$5,000,000 00	$5,206,700 00	$5,225,000 00	SUNGARD
Medium Term Note	General Electric Capital Corporation	70495	MTN-GE-100 226-Z31-42	5 25	10/27/2009	36962GZ31	$10,000,000 00	$10,022,600 00	$10,154,900 00	UPRICE
	Corporate MTN's and Other Notes Total					***4.93%***	***$86,150,000.00***	***$85,620,961.75***	***$86,354,760.50***	
	Grand Total					***100.00%***	***$1,751,488,255.70***	***$1,735,486,023.48***	***$1,763,142,191.91***	

CITY OF SAN DIEGO

BROKER ACTIVITY DISTRIBUTION
10/01/07 THROUGH 12/31/07
FUNDS: 9997, 0002

RUN DATE: 03/03/08
PAGE: 1

BROKER NAME	# OF TXNS	PURCHASE OF SECURITIES	SALE OF SECURITIES	REVERSE REPURCHASE	REPURCHASE	TOTAL
BANK OF AMERICA	14	79,279,877.78	25,942,128.33		566,539,788.00	671,761,794.11
BANK OF NEW YORK	2		24,215,750.00			24,215,750.00
BARCLAYS CAPITAL INC	1	25,035,486.67				25,035,486.67
MORGAN KEEGAN	1	69,077,006.25				69,077,006.25
GENERAL ELECTRIC COMPANY	2	30,269,514.52				30,269,514.52
TOYOTA FINANCIAL	2	49,045,506.95				49,045,506.95
MORGAN STANLEY	6	74,083,925.00			226,988,000.00	301,071,925.00
MERRILL LYNCH	4	79,272,543.75				79,272,543.75
LEHMAN BROTHERS	5	224,970,979.17				224,970,979.17
SMITH BARNEY-SHEARSON	2	63,609,619.44				63,609,619.44
UBS FINANCIAL SERVICES	6	201,425,491.67	40,040,800.00			241,466,291.67
BEAR STEARNS	56				3,943,651,409.00	3,943,651,409.00
STATE TREASURER	1	304,918.35				304,918.35
FUND - 9997 TOTAL:	102	896,374,869.55	90,198,678.33		4,737,179,197.00	5,723,752,744.88

CITY OF SAN DIEGO

BROKER ACTIVITY DISTRIBUTION
10/01/07 THROUGH 12/31/07
FUNDS: 9998, 0002

BROKER NAME	# OF TXNS	PURCHASE OF SECURITIES	SALE OF SECURITIES	REVERSE REPURCHASE	REPURCHASE	TOTAL
BANK OF AMERICA	6		49,449,694.50			49,449,694.50
BANK OF NEW YORK	1		10,000,000.00			10,000,000.00
BARCLAYS CAPITAL INC	3	24,951,500.00	40,765,002.08			65,716,502.08
MORGAN KEEGAN	5		61,645,360.24			61,645,360.24
MORGAN STANLEY	3		82,122,826.09			82,122,826.09
MERRILL LYNCH	1	45,064,683.66				45,064,683.66
LEHMAN BROTHERS	4	70,858,250.69	25,002,945.70			95,861,196.39
UBS FINANCIAL SERVICES	1	19,955,000.00				19,955,000.00
BEAR STEARNS	4	70,116,009.23	10,079,270.83		30,000,000.00	110,195,280.06
FUND - 9998 TOTAL:	28	230,945,443.58	279,065,099.44		30,000,000.00	540,010,543.02
GRAND TOTAL	130	1,127,320,313.13	369,263,777.77	.00	4,767,179,197.00	6,263,763,287.90

CITY OF SAN DIEGO

BROKER ACTIVITY DISTRIBUTION
10/01/07 THROUGH 12/31/07
FUNDS: 9997, 9998

RUN DATE: 03/03/08

BROKER NAME	# OF TXNS	PURCHASE OF SECURITIES	SALE OF SECURITIES	REVERSE REPURCHASE	REPURCHASE	TOTAL
BANK OF AMERICA	20	79,279,877.78	75,391,822.83		566,539,788.00	721,211,488.61
BANK OF NEW YORK	3		34,215,750.00			34,215,750.00
BARCLAYS CAPITAL INC	4	49,986,986.67	40,765,002.08			90,751,988.75
MORGAN KEEGAN	6	69,077,006.25	61,645,360.24			130,722,366.49
GENERAL ELECTRIC COMPANY	2	30,269,514.52				30,269,514.52
TOYOTA FINANCIAL	2	49,045,506.95				49,045,506.95
MORGAN STANLEY	9	74,083,925.00	82,122,826.09		226,988,000.00	383,194,751.09
MERRILL LYNCH	5	124,337,227.41				124,337,227.41
LEHMAN BROTHERS	9	295,829,229.86	25,002,945.70			320,832,175.56
SMITH BARNEY-SHEARSON	2	63,609,619.44				63,609,619.44
UBS FINANCIAL SERVICES	7	221,380,491.67	40,040,800.00			261,421,291.67
BEAR STEARNS	60	70,116,009.23	10,079,270.83		3,973,651,409.00	4,053,846,689.06
STATE TREASURER	1	304,918.35				304,918.35
GRAND TOTAL	130	1,127,320,313.13	369,263,777.77	.00	4,767,179,197.00	6,263,763,287.90

CITY OF SAN DIEGO

INVESTMENT MATURITY DISTRIBUTION
AS OF 01/01/08

RUN: 03/03/08 06:35:39

FUND 9997 99998 POOLED INVEST-LIQUIDITY

CALL/MATURITY	DATE RANGE	NO OF INV	COST	%	CUM %
0 TO 2 MONTHS	01/02/08-03/01/08	7	168,382,000.84	25.3	25.3
2 TO 3 MONTHS	03/02/08-04/01/08	4	106,834,529.93	16.1	41.4
3 TO 6 MONTHS	04/02/08-07/01/08	10	335,686,887.50	50.5	91.8
6 TO 9 MONTHS	07/02/08-10/01/08	1	29,340,400.00	4.4	96.2
9 TO 12 MONTHS	10/02/08-01/01/09	1	25,035,486.67	3.8	100.0
12 TO 15 MONTHS	01/02/09-04/01/09	0		.0	100.0
15 TO 18 MONTHS	04/02/09-07/01/09	0		.0	100.0
18 TO 21 MONTHS	07/02/09-10/01/09	0		.0	100.0
21 TO 24 MONTHS	10/02/09-01/01/10	0		.0	100.0
24 TO 27 MONTHS	01/02/10-04/01/10	0		.0	100.0
27 TO 30 MONTHS	04/02/10-07/01/10	0		.0	100.0
30 TO 33 MONTHS	07/02/10-10/01/10	0		.0	100.0
33 TO 36 MONTHS	10/02/10-01/01/11	0		.0	100.0
36 TO 39 MONTHS	01/02/11-04/01/11	0		.0	100.0
39 TO 42 MONTHS	04/02/11-07/01/11	0		.0	100.0
42 TO 45 MONTHS	07/02/11-10/01/11	0		.0	100.0
45 TO 48 MONTHS	10/02/11-01/01/12	0		.0	100.0
48 TO 51 MONTHS	01/02/12-04/01/12	0		.0	100.0
51 TO 54 MONTHS	04/02/12-07/01/12	0		.0	100.0
54 TO 57 MONTHS	07/02/12-10/01/12	0		.0	100.0
57 TO 60 MONTHS	10/02/12-01/01/13	0		.0	100.0
60 TO *** MONTHS	01/02/13-	0		.0	100.0
TOTALS		23	665,279,304.94		

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CITY OF SAN DIEGO

INVESTMENT MATURITY DISTRIBUTION
AS OF 01/01/08

RUN: 03/03/08 06:35:39

FUND 9998 99998 POOLED INVEST-CORE

CALL/MATURITY	DATE RANGE	NO OF INV	COST	%	CUM %
0 TO 2 MONTHS	01/02/08-03/01/08	1	30,000,000.00	2.8	2.8
2 TO 3 MONTHS	03/02/08-04/01/08	0		.0	2.8
3 TO 6 MONTHS	04/02/08-07/01/08	0		.0	2.8
6 TO 9 MONTHS	07/02/08-10/01/08	0		.0	2.8
9 TO 12 MONTHS	10/02/08-01/01/09	6	87,895,819.06	8.2	11.0
12 TO 15 MONTHS	01/02/09-04/01/09	8	124,882,279.26	11.7	22.7
15 TO 18 MONTHS	04/02/09-07/01/09	5	190,541,993.75	17.8	40.5
18 TO 21 MONTHS	07/02/09-10/01/09	10	266,535,070.45	24.9	65.4
21 TO 24 MONTHS	10/02/09-01/01/10	6	129,956,034.72	12.1	77.5
24 TO 27 MONTHS	01/02/10-04/01/10	0		.0	77.5
27 TO 30 MONTHS	04/02/10-07/01/10	2	39,402,050.00	3.7	81.2
30 TO 33 MONTHS	07/02/10-10/01/10	1	20,074,800.00	1.9	83.1
33 TO 36 MONTHS	10/02/10-01/01/11	3	54,890,400.00	5.1	88.2
36 TO 39 MONTHS	01/02/11-04/01/11	4	106,066,871.30	9.9	98.1
39 TO 42 MONTHS	04/02/11-07/01/11	0		.0	98.1
42 TO 45 MONTHS	07/02/11-10/01/11	1	19,961,400.00	1.9	100.0
45 TO 48 MONTHS	10/02/11-01/01/12	0		.0	100.0
48 TO 51 MONTHS	01/02/12-04/01/12	0		.0	100.0
51 TO 54 MONTHS	04/02/12-07/01/12	0		.0	100.0
54 TO 57 MONTHS	07/02/12-10/01/12	0		.0	100.0
57 TO 60 MONTHS	10/02/12-01/01/13	0		.0	100.0
60 TO *** MONTHS	01/02/13-	0		.0	100.0
TOTALS		47	1,070,206,718.54		
GRAND TOTALS		70	1,735,486,023.48		

Total number of funds represented: 2

City of San Diego
Asset Allocation as of December 31, 2007
Attachment #7